HOUSING MARKET INFORMATION

RENTAL MARKET REPORT

Canada Highlights[1]

CANADA MORTGAGE AND HOUSING CORPORATION

Date Released: 2016

"The vacancy rate edged up slightly in 2016 as greater rental demand was more than offset by the increase in rental apartment units."

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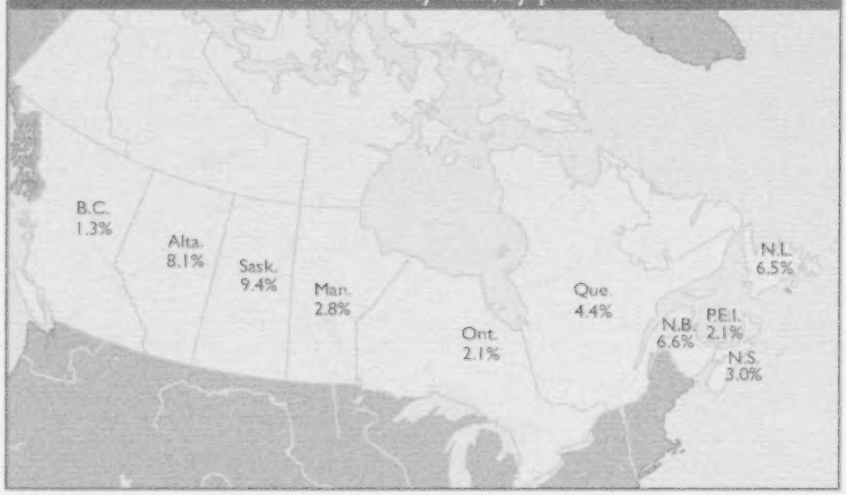
The overall vacancy rate, by province*



PRIMARY RENTAL MARKET IN CANADA'S 34 LARGEST CENTRES

(by bedroom type)

Bachelor	One bedroom	Two bedroom	Three or more bedrooms	Total
4.1% Vacancy Rate	3.2% Vacancy Rate	3.4% Vacancy Rate	3.8% Vacancy Rate	3.4% Vacancy Rate
$724 Avg. Rent	$891 Avg. Rent	$995 Avg. Rent	$1,083 Avg. Rent	$944 Avg. Rent

*CMHC collects data on the primary and secondary rental market annually in the fall. These data refer to the primary rental market, which only includes rental units in privately-initiated apartment structures containing at least three rental units. The secondary rental market covers rental dwellings that were not originally purpose-built for the rental market, including rental condominiums. The primary vacancy rate and rent level is based on all surveyed structures, while the rent increase is based only on structures common to the survey sample in both the current and previous year.

[1] Urban centres with a population of 10,000 + are included in the survey. Detailed reports are available for CMAs.

Canada

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Highlights

- The supply of apartment units in the primary rental market increased more than the number of occupied units, causing the vacancy rate to be slightly higher.
- A higher number of rental apartment units were occupied in October 2016 compared to October 2015, primarily due to much higher international migration to Canada and the continued aging of the Canadian population.
- Rental housing demand was greater in most regions of Canada, with the exception of oil-producing provinces Alberta, Saskatchewan and Newfoundland and Labrador.

National Vacancy Rate Slightly Higher in October 2016

According to Canada Mortgage and Housing Corporation's Fall Rental Market Survey, the overall vacancy rate for primary rental market apartment units in Canada's 34 largest centres[2] increased slightly from 3.3 per cent in October 2015 to 3.4 per cent in October 2016. The increase in the vacancy rate was not due to a decline in overall rental demand, as the number of occupied rental apartment units increased. Rather, the vacancy rate increased as the supply of rental apartment units increased more than the number of occupied units.

Between October 2015 and October 2016, the number of apartment units in the primary rental market increased by 26,660 units, or 1.6 per cent. This growth is mainly attributable to a relatively large number of purpose-built rental units that were completed.

A greater number of rental apartment units were occupied in October 2016 compared to October 2015, primarily due to much higher international migration to Canada. International migrants are a key source of rental housing demand. Censuses consistently show that the vast majority of international migrants live in rental housing when first moving to Canada. Data on net international migration to Canada is available up to the second quarter of 2016. It shows that net international migration in the nine months from October 2015 to June 2016 was far greater than in the twelve-month period between October 2014 and October 2015.

The continued aging of the Canadian population also contributed to the increase in occupied rental units. A larger percentage of Canadians were 65 years of age and older this year. The propensity to live in rental housing tends to rise as people enter the retirement age.

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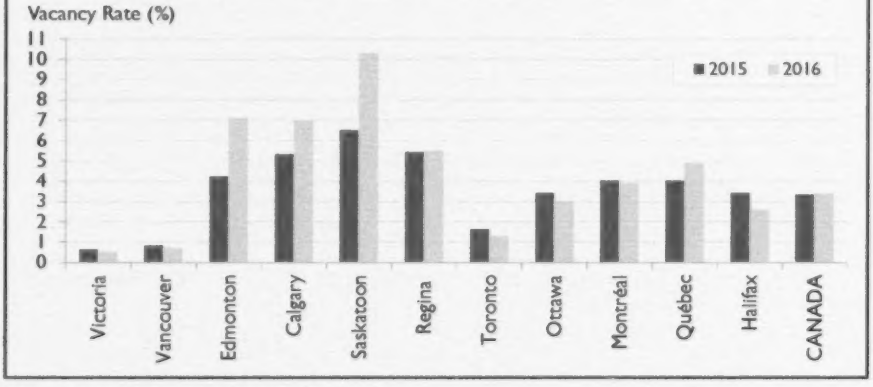
Another key source of new rental households are young adults that move out of the parental home. Households headed by a person 15 to 29 years old are more likely to rent than own their home. Higher employment among 15 to 29 year olds tends to generate a greater number of new rental households from this age group. Employment for Canadians 15 to 29 years old was approximately one per cent higher in October 2016 compared to October 2015, suggesting just a slightly higher number of people in that age group moved out of the parental home to rent this year.

Figure 1

October Vacancy Rate - Selected CMAs & Canada

Apartment Structures of Three or More Units, Privately Initiate

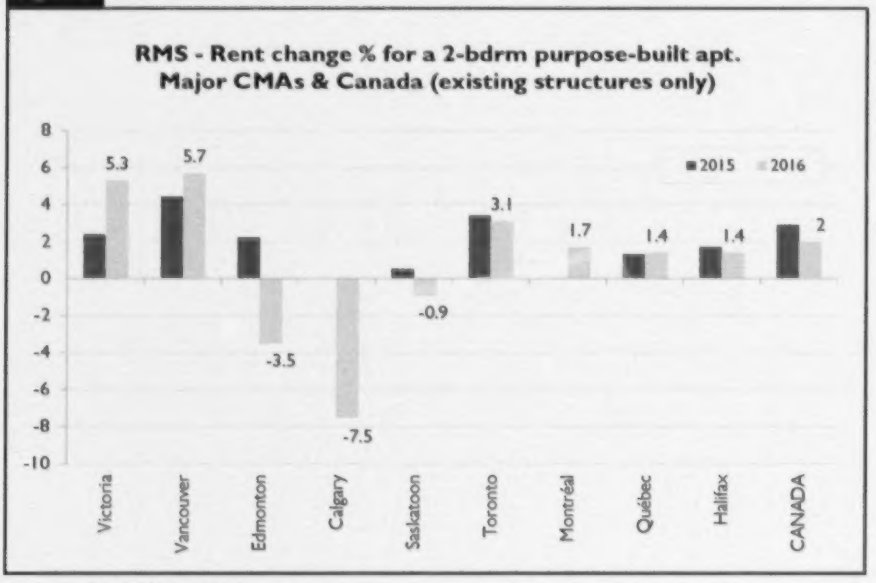


Source: CMHC, Rental Market Survey

[2] Centres are based on Statistics Canada Census Metropolitan Areas (CMAs), with the exception of the Ottawa-Gatineau CMA, which is treated as two centres for Rental Market Survey purposes, and Charlottetown, which is a Census Agglomeration (CA).

Greater Rental Demand in Most Regions of Canada

Figure 2



Source: CMHC, Rental Market Survey

Rental market conditions were considerably different across the country. However, regional trends roughly offset one another, causing the national vacancy rate to just barely increase. British Columbia's overall vacancy rate edged up, but remained low at just 1.3 per cent. The minor increase in British Columbia's vacancy rate was not due to weaker rental demand in that province. A greater number of British Columbia's rental apartment units were occupied this year due to higher net migration, higher employment for young adults and fewer renters transitioning into homeownership, particularly in large Census Metropolitan Areas (CMAs) such as Vancouver and Victoria. The supply of rental apartment units in British Columbia grew more than its number of occupied apartment units, resulting in a slightly higher vacancy rate this year. Rental demand in Ontario was also greater this year, supported by higher net migration and fewer renters transitioning into homeownership. However, in contrast to British Columbia, occupied rental apartment units in Ontario grew more than its rental universe. As a result, Ontario's overall vacancy rate decreased from 2.4 per cent in October 2015 to 2.1 per cent in October 2016. Ontario's vacancy rate was at its lowest level since 2001.

Overall vacancy rates in the oil-producing provinces of Alberta and Saskatchewan increased substantially for the second consecutive year. Fewer rental apartment units were occupied in these provinces, as low oil prices continued to have a negative effect on its employment and net inter-provincial migration. Higher vacancy rates in Alberta and Saskatchewan were also due to growth in each provinces' rental universes. Alberta's rental universe increased nearly four per cent from October 2015 to October 2016, as a high number of apartment structures that were started prior to the large drop in oil prices were completed. The largest increase to Alberta's rental universe occurred in Edmonton.

The on-going adjustment to lower oil-prices was also evident in the oil-producing province of Newfoundland and Labrador in October 2016, following generally stable rental markets in 2015. Vacancy rates in all major centres of Atlantic Canada were either steady or lower, with the sole exception of St. John's in Newfoundland and Labrador. St. John's supply of purpose-built rental housing increased by 4.4 per cent, while its rental demand was relatively unchanged. Low oil prices continued to have a negative effect on employment in St. John's, constraining its rental demand. Charlottetown's overall vacancy rate decreased from 4.2 per cent in October 2015 to 1.7 per cent in October 2016. The number of occupied units in Charlottetown increased far more than its rental universe, primarily due to higher net international migration.

Quebec and Manitoba's overall vacancy rates were relatively unchanged[3]. The vast majority of Quebec's rental apartment units are located in Montreal, where the vacancy rate was essentially steady at 3.9 per cent. Rental demand increased in Montreal due to higher net international migration and a population that is aging more rapidly than the national average, offsetting the growth in its purpose-built rental housing supply. A similar number of Manitoba's rental apartment units

[3] A statistically significant change is a change that cannot be explained by an error in the survey sampling. If a change is statistically insignificant, the survey cannot clearly tell if a vacancy rate is higher or lower this year relative to the previous year; when considering the survey margin of error. In this report, statistically insignificant changes are characterized as "relatively" or "essentially" stable.

were occupied in October 2015 compared to October 2016, as weaker employment conditions offset the positive impact of higher net international migration. Manitoba's rental universe was also relatively similar in the 2015 and 2016 surveys, keeping its overall vacancy rate steady.

Largest Rent Increase in Vancouver CMA

Rent for two-bedroom apartment units surveyed in both October 2015 and October 2016 increased by 2.0 per cent, on average, in Canada's 34 largest centres. The average rent increase was higher than the average rate of inflation in Canada during the same twelve month period. The largest average rent increase across the country occurred in Vancouver. Rent for two-bedroom apartment units in Vancouver increased by 5.7 per cent, on average. The increase in rents is mainly due to a a limited supply of apartments as well as a high tenant turnover rate. The average rent increase for a two-bedroom apartment unit in Toronto was also well above the national average at 3.1 per cent, due to a low overall vacancy rate of 1.3 per cent. In stark contrast, tenants in Calgary had many rental housing options given its high overall vacancy rate of 7.0 per cent, causing landlords to decrease rent for two-bedroom apartments by 7.5 per cent on average.

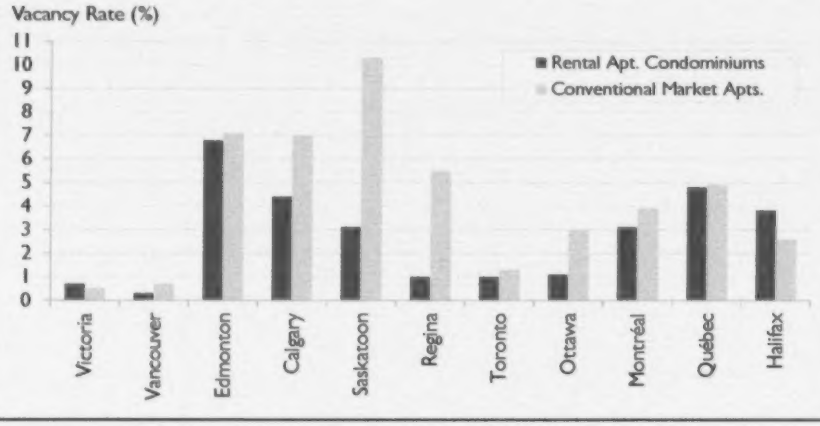
New Data on Unit Turnover Rates

Property managers were asked an additional question in this years' survey regarding turnover of units in their rental apartment structures. Property managers were asked how many units were rented to a new tenant in the past 12 months. This data provides a clearer picture of the level of renter mobility in a given region. Between October 2015 and October 2016, twenty per cent of all primary rental apartment units in Canada's 34 largest centres were rented to a new tenant. Turnover rates in Alberta, Saskatchewan, Manitoba and most centres in Atlantic Canada were above the national average, while turnover rates in British Columbia, Ontario and Quebec were generally below the national average.

Figure 3

October Vacancy Rate - Selected CMAs

Rental Apartment Condominiums, Three or More Units, Privately Initiated



Source: CMHC, Rental Market Survey

Lower Rental Condominium Apartment Vacancy Rate in Toronto CMA

CMHC's Rental Market Survey also covers condominium apartments rented in the secondary rental market. This secondary rental market survey was expanded from 16 to 17 centres across Canada, as property managers of condominium apartments in Halifax were surveyed for the first time this year. Overall vacancy rates for rental condominium apartments ranged from a low of 0.3 per cent in Vancouver to a high of 6.8 per cent in Edmonton. Changes to vacancy rates were not statistically significant in the majority of the centres surveyed. The overall vacancy rate in Toronto decreased from 1.8 per cent in October 2015 to 1.0 per cent in October 2016, despite a 13 per cent increase to its condominium rental apartment universe. The universe of condominium rental apartments in Montreal grew at an even higher rate than in Toronto, and its overall vacancy rate was essentially steady at 3.1 per cent. Demand to rent in condominium apartments increased even more than demand to rent in purpose-built rental apartments in both regions.

The overall vacancy rate in the 17 surveyed centres was 1.9 per cent, lower than the overall vacancy rate of 3.3 per cent for purpose-built rental apartment units in those same regions. The gap between vacancy rates in the two rental market segments was greater in October 2016 than in October 2015, largely due to Calgary and Edmonton's rental condominium vacancy rates remaining steady, while vacancy rates in their primary rental markets increased substantially.

1.0 Rental Market Indicators
Privately Initiated Apartment Structures of Three Units and Over
Provinces and Major Centres

Centre	Vacancy Rates (%)		Availability Rates (%)		Turnover Rates (%)		Average Rent 2 Bedroom ($) (New and existing Structures)		Percentage Change of Average Rent Two Bedroom From Fixed Sample (Existing structures only)	
	Oct-15	Oct-16	Oct-15	Oct-16	Oct-15	Oct-16	Oct-15	Oct-16	Oct-14 to Oct-15	Oct-15 to Oct-16
Newfoundland & Labrador 10,000+	**4.1**	**6.5**	**5.1**	**6.9**	**n/a**	**15.5**	**834**	**865**	**1.1**	**1.5**
St. John's CMA	4.7	7.9	6.1	8.4	n/a	**	923	958	1.2	1.3
Prince Edward Island 10,000+	**4.8**	**2.1**	**5.1**	**3.2**	**n/a**	**23.6**	**814**	**852**	**	**
Charlottetown CA	4.2	1.7	4.6	2.8	n/a	24.6	830	872	**	**
Nova Scotia 10,000+	**3.8**	**3.0**	**4.7**	**4.0**	**n/a**	**24.2**	**992**	**1,008**	**1.7**	**1.4**
Halifax CMA	3.4	2.6	4.5	3.7	n/a	24.0	1,048	1,063	1.7	1.4
New Brunswick 10,000+	**7.4**	**6.6**	**7.8**	**7.4**	**n/a**	**24.1**	**744**	**763**	**1.1**	**1.7**
Moncton CMA	7.4	6.0	7.9	7.1	n/a	29.2	760	798	++	1.9
Saint John CMA	8.5	8.5	8.7	9.0	n/a	12.7	718	720	1.5	2.0
Quebec 10,000+	**4.3**	**4.4**	**4.7**	**5.0**	**n/a**	**18.3**	**728**	**751**	**	**1.5**
Ottawa-Gatineau CMA (Qué. part)	5.9	6.3	7.3	7.0	n/a	21.3	751	762	0.9	++
Montréal CMA	4.0	3.9	4.4	4.6	n/a	17.3	760	791	**	1.7
Québec CMA	4.0	4.9	4.6	5.5	n/a	21.6	788	808	1.3	1.4
Saguenay CMA	7.1	7.0	7.2	7.5	n/a	20.6	598	587	1.0	++
Sherbrooke CMA	5.8	6.4	5.9	6.6	n/a	21.7	608	622	1.3	2.1
Trois-Rivières CMA	6.0	6.2	6.2	6.3	n/a	19.5	581	587	1.2	2.1
Ontario 10,000+	**2.4**	**2.1**	**4.1**	**3.7**	**n/a**	**18.6**	**1,121**	**1,154**	**3.1**	**3.0**
Barrie CMA	1.3	2.2	2.8	4.8	n/a	19.9	1,167	1,150	4.3	3.8
Brantford CMA	2.5	2.1	3.8	3.0	n/a	20.1	870	908	3.9	3.0
Greater Sudbury/Grand Sudbury CMA	3.5	5.3	4.1	6.3	n/a	19.0	953	990	2.5	2.2
Guelph CMA	1.2	1.0	2.4	2.0	n/a	**	1,027	1,078	3.4	4.1
Hamilton CMA	3.4	3.8	6.6	6.0	n/a	14.1	1,034	1,037	3.8	4.9
Kingston CMA	2.8	2.6	4.1	4.2	n/a	26.5	1,096	1,119	2.9	2.3
Kitchener-Cambridge-Waterloo CMA	2.4	2.2	4.2	4.0	n/a	20.5	997	1,050	2.7	2.8
London CMA	2.9	2.1	5.3	4.3	n/a	31.8	963	1,002	2.3	1.8
St. Catharines-Niagara CMA	2.8	2.2	4.8	3.4	n/a	16.4	909	958	3.2	4.6
Oshawa CMA	1.7	1.7	2.4	2.5	n/a	17.7	1,035	1,109	1.9	4.8
Ottawa-Gatineau CMA (Ont. Part)	3.4	3.0	5.5	4.6	n/a	22.1	1,174	1,201	3.1	2.1
Peterborough CMA	3.7	1.0	5.1	2.2	n/a	17.4	959	980	1.6	1.3
Thunder Bay CMA	4.6	5.0	5.2	5.3	n/a	22.2	917	940	2.3	2.1
Toronto CMA	1.6	1.3	3.1	2.8	n/a	15.9	1,288	1,327	3.4	3.1
Windsor CMA	3.9	2.9	4.8	4.0	n/a	21.3	824	852	2.6	2.7

Major centres refer to Census Metropolitan Areas (CMA) except for Charlottetown.

The Percentage Change of Average Rent is a measure of the market movement and is based on those structures that were common to the survey sample for both years.

Saskatchewan includes both Alberta and Saskatchewan portions of Lloydminster CA.

Alberta does not include Alberta portion of Lloydminster CA. For Lloydminster CA data refer to Saskatchewan Highlights report.

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Centre	Vacancy Rates (%)		Availability Rates (%)		Turnover Rates (%)		Average Rent 2 Bedroom ($) (New and existing Structures)		Percentage Change of Average Rent Two Bedroom From Fixed Sample (Existing structures only)	
	Oct-15	Oct-16	Oct-15	Oct-16	Oct-15	Oct-16	Oct-15	Oct-16	Oct-14 to Oct-15	Oct-15 to Oct-16
Manitoba 10,000+	**2.9**	**2.8**	**5.2**	**4.2**	**n/a**	**24.6**	**1,012**	**1,033**	**3.3**	**2.0**
Winnipeg CMA	2.9	2.8	5.5	4.2	n/a	24.8	1,045	1,068	3.3	2.0
Saskatchewan 10,000+	**6.8**	**9.4**	**8.4**	**11.4**	**n/a**	**36.4**	**1,056**	**1,053**	**++**	**-1.2**
Regina CMA	5.4	5.5	6.1	7.1	n/a	35.1	1,097	1,109	++	++
Saskatoon CMA	6.5	10.3	8.6	13.0	n/a	39.3	1,087	1,100	0.5	-0.9
Alberta 10,000+	**5.6**	**8.1**	**7.6**	**10.4**	**n/a**	**37.1**	**1,253**	**1,195**	**1.2**	**-5.0**
Calgary CMA	5.3	7.0	7.7	10.5	n/a	39.7	1,332	1,258	++	-7.5
Edmonton CMA	4.2	7.1	6.1	8.9	n/a	35.8	1,259	1,229	2.2	-3.5
British Columbia 10,000+	**1.2**	**1.3**	**1.7**	**1.9**	**n/a**	**17.2**	**1,155**	**1,215**	**3.7**	**5.1**
Abbotsford-Mission CMA	0.8	0.5	1.3	0.8	n/a	20.0	864	915	2.8	4.7
Kelowna CMA	0.7	0.6	0.9	1.5	n/a	16.7	1,002	1,066	3.9	4.3
Vancouver CMA	0.8	0.7	1.2	1.2	n/a	15.8	1,368	1,450	4.4	5.7
Victoria CMA	0.6	0.5	1.0	1.0	n/a	19.1	1,128	1,188	2.4	5.3
Canada CMAs	**3.3**	**3.4**	**4.3**	**4.5**	**n/a**	**20.0**	**966**	**995**	**2.9**	**2.8**
Canada 10,000+	**3.5**	**3.7**	**4.5**	**4.8**	**n/a**	**20.2**	**939**	**962**	**2.7**	**1.9**

Major centres refer to Census Metropolitan Areas (CMA) except for Charlottetown.

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4.1 Rental Condominium Apartments and Private Apartments in the RMS[1]
Vacancy Rates (%), Average Rents ($) and Percentage of Condominium Apartments in Rental
Oct-16

Centres	Vacancy Rates (%)		Average Rent ($)		Universe		Percentage of Condo Apts in Rental vs. Ownership
			2 Bedroom				
	Rental Condo Apts	Apts in the RMS[1]	Rental Condo Apts	Apts in the RMS[1]	Rental Condo Apts	Apts in the RMS[1]	
Halifax CMA	3.8	2.6	1,434	1,063	2,532	45,606	27.2
Ottawa-Gatineau CMA (Que. Part)	5.1	6.3	1,008	762	3,350	21,165	30.9
Montréal CMA	3.1	3.9	1,158	791	28,453	560,750	15.7
Québec CMA	4.8	4.9	1,033	808	3,830	84,679	11.4
Hamilton CMA	0.5	3.8	1,436	1,037	3,447	42,686	21.3
Kitchener-Cambridge-Waterloo CMA	1.4	2.2	1,227	1,050	2,599	30,828	27.2
London CMA	4.3	2.1	1,065	1,002	2,610	43,777	35.6
Ottawa-Gatineau CMA (Ont. Part)	1.1	3.0	1,551	1,201	9,635	61,317	28.7
Toronto CMA	1.0	1.3	2,029	1,327	116,685	309,228	32.6
Winnipeg CMA	1.8	2.8	1,300	1,068	3,084	55,561	18.0
Regina CMA	1.0	5.5	1,354	1,109	1,854	12,568	25.7
Saskatoon CMA	3.1	10.3	1,328	1,100	2,472	13,507	22.6
Calgary CMA	4.4	7.0	1,564	1,258	18,172	36,523	31.1
Edmonton CMA	6.8	7.1	1,377	1,229	15,904	65,033	32.1
Kelowna CMA	**	0.6	1,478	1,066	**	4,555	**
Vancouver CMA	0.3	0.7	1,822	1,450	58,089	107,867	25.4
Victoria CMA	0.7	0.5	1,462	1,188	5,734	24,310	23.4
Total	**1.9**	**3.3**	**1,436**	**1,020**	**282,516**	**1,519,960**	**26.4**

For an explanation of the letters and symbols used in the Rental Market tables, please refer to our Methodology **page.**

4.2 Rental Condominium Apartments
Vacancy Rates (%), Average Rents ($) and Percentage of Condominium Apartments in Rental

Centres	Vacancy Rates (%)		Average 2 Bedroom Rent ($)		Rental Condo Apts.		Percentage of Condominium Apartments in Rental vs Ownership	
	Oct-15	Oct-16	Oct-15	Oct-16	Oct-15	Oct-16	Oct-15	Oct-16
Halifax CMA	n/a	3.8	n/a	1,434	n/a	2,532	n/a	27.2
Ottawa-Gatineau CMA (Que. Part)	4.0	5.1	1,006	1,008	2,882	3,350	27.7	30.9
Montréal CMA	3.0	3.1	1,091	1,158	24,319	28,453	14.8	15.7
Québec CMA	4.0	4.8	1,063	1,033	3,512	3,830	11.3	11.4
Hamilton CMA	0.4	0.5	**	1,436	3,287	3,447	21.4	21.3
Kitchener-Cambridge-Waterloo CMA	2.5	1.4	**	1,227	2,053	2,599	23.3	27.2
London CMA	2.8	4.3	1,029	1,065	2,516	2,610	33.6	35.6
Ottawa-Gatineau CMA (Ont. Part)	2.6	1.1	1,452	1,551	7,331	9,635	22.9	28.7
Toronto CMA	1.8	1.0	1,945	2,029	103,391	116,685	30.5	32.6
Winnipeg CMA	**	1.8	1,298	1,300	3,011	3,084	18.8	18.0
Regina CMA	4.6	1.0	1,536	1,354	1,876	1,854	27.2	25.7
Saskatoon CMA	1.5	3.1	1,299	1,328	2,184	2,472	20.7	22.6
Calgary CMA	4.9	4.4	1,746	1,564	16,810	18,172	30.9	31.1
Edmonton CMA	5.3	6.8	1,436	1,377	15,049	15,904	32.7	32.1
Kelowna CMA	2.1	**	1,169	1,478	3,136	**	24.6	**
Vancouver CMA	0.9	0.3	1,696	1,822	56,573	58,089	26.9	25.4
Victoria CMA	0.6	0.7	1,435	1,462	4,982	5,734	20.8	23.4
Total	**2.3**	**1.9**	**1,393**	**1,436**	**352,353**	**382,516**	**25.5**	**26.4**

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5.1 Other Secondary Rented Unit Average Rents ($) by Dwelling Type

	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-15	Oct-16	Oct-15	Oct-16	Oct-15	Oct-16	Oct-15	Oct-16	Oct-15	Oct-16
Abbotsford-Mission CMA	**	**	**	**	862	**	1,364	1,412	1,058	1,205
Barrie CMA	**	**	**	**	1,123	1,199	1,387	1,432	1,312	1,328
Calgary CMA	**	**	**	**	1,214	**	1,534	1,452	1,398	1,377
Edmonton CMA	**	**	911	**	1,119	**	1,484	1,366	1,351	1,311
Halifax CMA	**	**	**	**	951	**	1,168	1,095	1,059	1,114
Hamilton CMA	**	**	696	**	1,011	**	1,246	1,381	1,106	1,263
Kelowna CMA	**	**	**	694	1,018	954	1,613	1,581	1,271	1,212
Montreal CMA	**	**	648	620	739	778	896	933	786	811
St. Catharines-Niagara CMA	**	**	625	698	852	848	1,024	1,039	909	928
Ottawa-Gatineau CMA (Ont. Part)	**	**	**	830	1,118	1,315	1,375	1,553	1,299	1,455
Quebec CMA	**	**	**	634	716	719	895	891	748	763
Regina CMA	**	**	769	**	1,139	905	1,319	1,313	1,209	1,138
St. John's CMA	**	**	643	718	821	783	1,006	1,077	873	905
Saskatoon CMA	**	**	**	**	989	1,118	1,426	1,473	1,126	1,141
Toronto CMA	**	**	988	1,056	1,379	1,501	1,656	1,845	1,453	1,583
Vancouver CMA	726	**	912	**	1,131	1,199	1,661	1,908	1,300	1,470
Victoria CMA	**	**	**	852	1,208	1,202	1,547	1,668	1,265	1,289
Windsor CMA	**	**	600	**	693	767	882	1,023	789	903
Winnipeg CMA	**	**	776	832	953	926	1,164	1,173	1,051	1,054

Statistics for secondary rented units exclude apartments in purpose built rental structures with three rental units or morecondominium apartments; units in institutions; and any dwelling whose type could not be identified.in the survey.

For an explanation of the letters and symbols used in the Rental Market tables, please refer to our Methodology page.

TECHNICAL NOTE:

Difference between Percentage Change of Average Rents (Existing and New Structures) AND Percentage Change of Average Rents from Fixed Sample (Existing Structures Only):

Percentage Change of Average Rents (New and Existing Structures): The increase/decrease obtained from the calculation of percentage change of average rents between two years (example: $500 in the previous year vs. $550 in current survey represents an increase of 10 percent) is impacted by changes in the composition of the rental universe (e.g. the inclusion of newly built luxury rental buildings in the survey, rental units renovated/upgraded or changing tenants could put upward pressure on average rents in comparison to the previous year) as well as by the rent level movement (e.g. increase/decrease in the level of rents that landlords charge their tenants).

Percentage Change of Average Rents from Fixed Sample (Existing Structures Only): This is a measure that estimates the rent level movement. The estimate is based on structures that were common to the survey sample for both the previous year and the current Rental Market Surveys. However, some composition effects still remain e.g. rental units renovated/upgraded or changing tenants because the survey does not collect data to such level of details.

METHODOLOGY FOR RENTAL MARKET SURVEY

Canada Mortgage and Housing Corporation (CMHC) conducts the **Rental Market Survey** (RMS) every year in October to estimate the relative strengths in the rental market. The survey is conducted on a sample basis in all urban areas with populations of 10,000 and more. The survey targets only privately initiated structures with at least three rental units, which have been on the market for at least three months. The survey collects market rent levels, availability, turnover and vacancy unit data for all sampled structures.

The survey is conducted by a combination of telephone interviews and site visits, and information is obtained from the owner, manager, or building superintendent. The survey is conducted during the first two weeks of October, and the results reflect market conditions at that time.

CMHC is constantly reviewing the Universe of rental structures in the rental market Universe to ensure that it is as complete as possible. Every year, any newly completed rental structures with at least 3 rental units are added to the Universe. In addition to this, CMHC undertakes comprehensive reviews by comparing the Universe listing to other sources of data to ensure that the list of structures is as complete as possible.

CMHC's Rental Market Survey provides a snapshot of vacancy, availability, and turnover rates and average rents in both new and existing structures. There also exists a measure for the change in rent that is calculated based on existing structures only. The estimate is based on structures that were common to the survey sample for both the previous and the current Rental Market Surveys. The change in rent in existing structures is an estimate of the change in rent that the landlords charge and removes compositional effects on the rent level movement due to new buildings, conversions, and survey sample rotation. The estimate of percent change in rent is available in all Canada and Provincial Highlights publications, and also in the CMA reports. The rent levels in new and existing structures are also published. While the percent change in rents in existing structures published in the reports are statistically significant, changes in rents that one might calculate based on rent levels in new and existing structures may or may not be statistically significant.

METHODOLOGY FOR SECONDARY RENTAL MARKET SURVEY

Canada Mortgage and Housing Corporation (CMHC) conducts a survey of the **Secondary Rental Market** (SRMS) in late summer and early fall to estimate the relative strengths in the secondary rental market which is defined as those dwellings not covered by the regular RMS – rented single-detached homes, semi-detached (double) homes, rented freehold row/townhomes, rented duplex apartments (i.e., one-above-other), rented accessory apartments (separate dwelling units that are located within the structure of another dwelling type), rented condominiums (can be any dwelling type but are primarily apartments), and one or two apartments which are part of a commercial or other type of structure.

The SRMS has two components which are conducted in selected CMAs:

- A Household Rent Survey of all households to collect information about rents in the following CMAs: Abbotsford-Mission, Barrie, Calgary, Edmonton, Halifax, Hamilton, Kelowna, Montréal, Ottawa, Québec, Regina, Saskatoon, St. Catharines-Niagara, St. John's, Toronto, Vancouver, Victoria, Windsor and Winnipeg.
- A Condominium Apartment Survey to collect vacancy and rent information in the following CMAs: Calgary, Edmonton, Gatineau, Halifax, Hamilton, Kelowna, Kitchener-Cambridge-Waterloo, London, Montréal, Ottawa, Québec, Regina, Saskatoon, Toronto, Vancouver, Victoria and Winnipeg.

Both these surveys are conducted by telephone interviews. For the Condominium Apartment Survey, information is obtained from the property management company or condominium (strata) board, or building superintendent and can be supplemented by site visits if no telephone contact is made. For the Household Rent Survey, information is collected from an adult living in the household. Both surveys are conducted in late summer and early fall, and the results reflect market conditions at that time.

CMHC publishes the number of units rented and vacancy rates from the Condominium Apartment Survey. For the Household Rent Survey, the average rent is published. A letter code representing the statistical reliability (i.e., the coefficient of variation (CV)) for each estimate is provided to indicate the data reliability.

Every year CMHC reviews the method of estimation for Household Rent Survey, which may result in some changes to previously published estimates. All statistics in this report are reflective of the new method of estimation.

RENTAL MARKET SURVEY (RMS) AND SECONDARY RENTAL MARKET SURVEY (SRMS) DATA RELIABILITY

CMHC does not publish an estimate (e.g. Vacancy Rates and Average Rents) if the reliability of the estimate is too low or the confidentiality rules are violated. The ability to publish an estimate is generally determined by its statistical reliability, which is measured using the coefficient of variation (CV). CV of an estimate is defined as the ratio of the standard deviation to the estimate and CV is generally expressed a percentage. For example, let the average rent for one bedroom apartments in a given CMA be $\bar{x}$ and its standard deviation be $\sigma_{\bar{x}}$. Then the Coefficient of Variation is given by $CV = \frac{\sigma_{\bar{x}}}{\bar{x}}$.

Please click Methodology or Data Reliability Tables Appendix link for more details.

Reliability Codes for Proportions

CMHC uses CV, sampling fraction and universe size to determine the ability to publish proportions such as vacancy rates, availability rates and turnover rates. The following letter codes are used to indicate the level of reliability of proportions:

a – Excellent
b – Very good
c – Good
d – Fair (Use with Caution)
** – Poor – Suppressed
++ – Change in rent is not statistically significant. This means that the change in rent is not statistically different than zero (0).
- – No units exist in the universe for this category
n/a – Not applicable

The following two tables indicate the level of reliability of proportions:

If the proportion is Zero (0) and sampling fraction is less than 100% then the following levels are assigned:

	Sampling Fraction (%) range				
Structures in Universe	**(0,20]***	**(20,40]**	**(40,60]**	**(60,80]**	**(80,100)**
3 – 10	Poor	Poor	Poor	Poor	Poor
11 – 20	Poor	Fair	Fair	Fair	Good
21 – 40	Poor	Fair	Fair	Good	Very Good
41 – 80	Poor	Fair	Good	Good	Very Good
81+	Poor	Good	Good	Very Good	Very Good

*(0, 20] means sampling fraction is greater than 0% but less than or equal to 20%; others are similar.

Otherwise, the following table is used to determine the reliability level of proportions:

	Coefficient of Variation (CV) %						
Vacancy Rate	**0**	**(0,5]**	**(5,10]**	**(10,16.5]**	**(16.5,33.3]**	**(33.3,50]**	**50+**
(0,0.75]	Excellent	Excellent	Excellent	Excellent	Excellent	V. Good	V. Good
(0.75,1.5]	Excellent	Excellent	Excellent	Excellent	Excellent	Fair	Poor
(1.5,3]	Excellent	Excellent	Excellent	V. Good	Good	Poor	Poor
(3,6]	Excellent	Excellent	V. Good	Good	Fair	Poor	Poor
(6,10]	Excellent	Excellent	V. Good	Good	Poor	Poor	Poor
(10,15]	Excellent	Excellent	Good	Fair	Poor	Poor	Poor
(15,30]	Excellent	Excellent	Fair	Poor	Poor	Poor	Poor
(30,100]	Excellent	Excellent	Poor	Poor	Poor	Poor	Poor

Reliability Codes for Averages and Totals

CMHC uses the CV to determine the reliability level of the estimates of average rents and a CV cut-off of 10% for publication of totals and averages. It is felt that this level of reliability best balances the need for high quality data and not publishing unreliable data. CMHC assigns a level of reliability as follows (CV's are given in percentages):

a – If the CV is greater than 0 and less than or equal to 2.5 then the level of reliability is **Excellent**.
b – If the CV is greater than 2.5 and less than or equal to 5 then the level of reliability is **Very Good**.
c – If the CV is greater than 5 and less than or equal to 7.5 then the level of reliability is **Good**.
d – If the CV is greater than 7.5 and less than or equal to 10 then the level of reliability is **Fair**.
** – If the CV is greater than 10 then the level of reliability is **Poor**. (Do Not Publish)

Arrows indicate Statistically Significant Changes

Use caution when comparing statistics from one year to the next. Even if there is a year over year change, it is not necessarily a statistically significant change. When applicable, tables in this report include indicators to help interpret changes:

↑ indicates the year-over-year change is a statistically significant increase.
↓ indicates the year-over-year change is a statistically significant decrease.
– indicates that the effective sample does not allow one to interpret any year-over-year change as being statistically significant.
△ indicates that the change is statistically significant

DEFINITIONS

Availability: A rental unit is considered available if the existing tenant has given, or has received, notice to move, and a new tenant has not signed a lease; or the unit is vacant (see definition of vacancy below).

Rent: The rent refers to the actual amount tenants pay for their unit. No adjustments are made for the inclusion or exclusion of amenities and services such as heat, hydro, parking, and hot water. For available and vacant units, the rent is the amount the owner is asking for the unit.

It should be noted that the average rents reported in this publication provide a sound indication of the amounts paid by unit size and geographical sector. Utilities such as heating, electricity and hot water may or may not be included in the rent.

Rental Apartment Structure: Any building containing three or more rental units, of which at least one unit is not ground oriented. Owner-occupied units are not included in the rental building unit count.

Rental Row (Townhouse) Structure: Any building containing three or more rental units, all of which are ground oriented with vertical divisions. Owner-occupied units are not included in the rental building unit count. These row units in some centres are commonly referred to as townhouses.

Vacancy: A unit is considered vacant if, at the time of the survey, it is physically unoccupied and available for immediate rental.

Turnover: A unit is counted as being turned over if it was occupied by a new tenant moved in during the past 12 months. A unit can be counted as being turned over more than once in a 12 month period.

Definitions of Census Areas referred to in this publication are as follows:

A census metropolitan area (CMA) or a census agglomeration (CA) is formed by one or more adjacent municipalities centred on a large urban area (known as the urban core). The census population count of the urban core is at least 10,000 to form a census agglomeration and at least 100,000 to form a census metropolitan area. To be included in the CMA or CA, other adjacent municipalities must have a high degree of integration with the central urban area, as measured by commuting flows derived from census place of work data. CMAs and CAs contain whole municipalities or Census Subdivisions.

Data presented is based on Statistics Canada's 2011 Census area definitions.

Acknowledgement

The Rental Market Survey and the Secondary Rental Market Survey could not have been conducted without the cooperation of the rental property owners, managers, building superintendents and household members throughout Canada. CMHC acknowledges their hard work and assistance in providing timely and accurate information. As a result of their contribution CMHC is able to provide information that benefits the entire housing industry.

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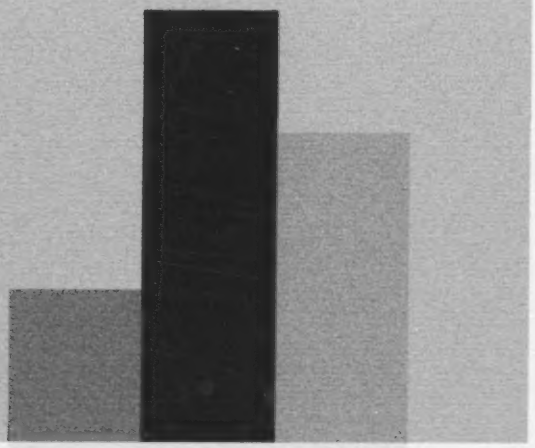

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